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Most advisors see AI in investing as a risk
By Rob Burgess
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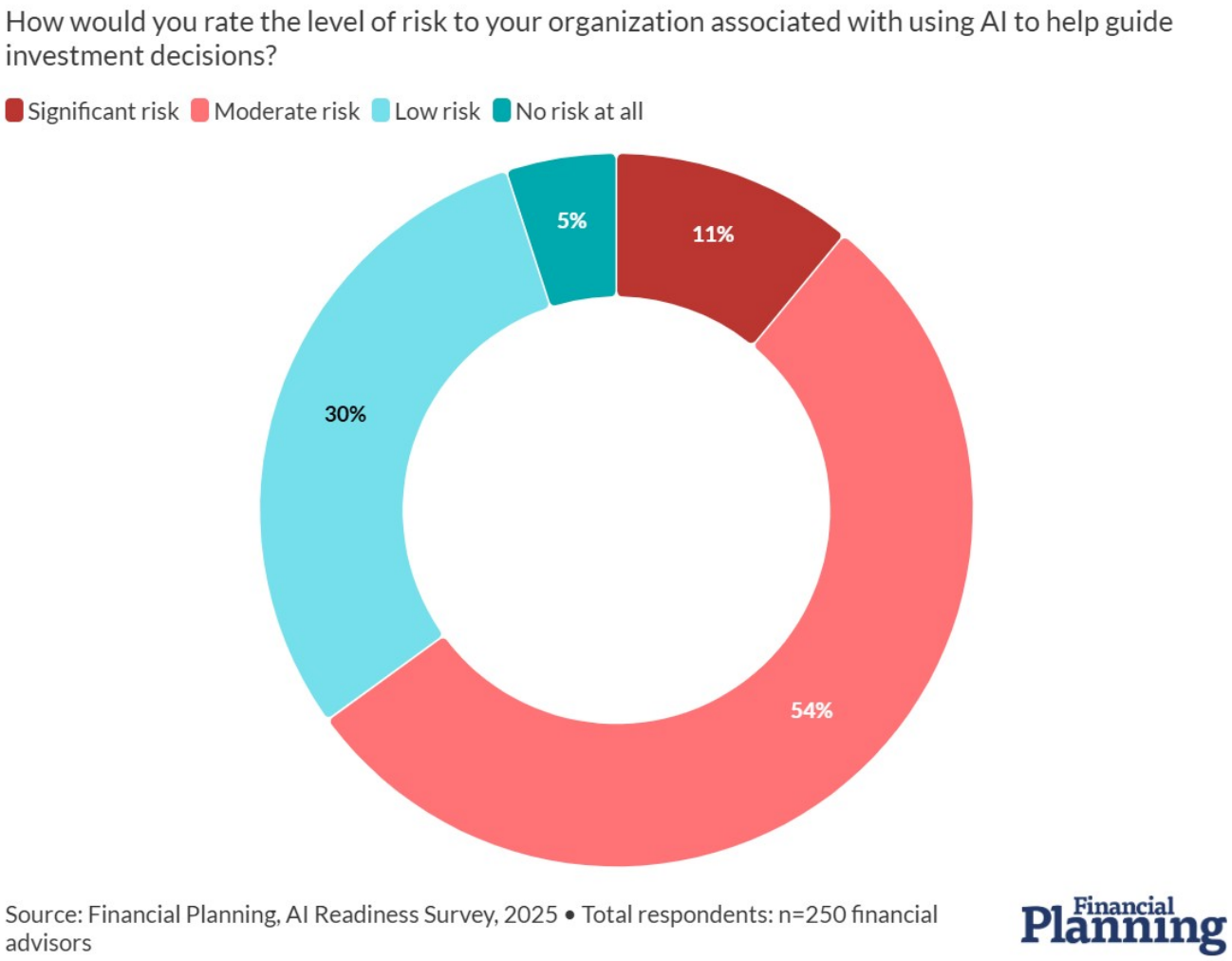
Two-thirds of financial advisors see artificial intelligence that guides investment decisions as a risk to their organizations.

And fewer than one in three RIAs said they would be comfortable using AI tools that autonomously make investment decisions or rebalance client portfolios without human review.

These were among the findings of Financial Planning's recent AI Readiness Survey, which included answers from 250 advisor respondents.

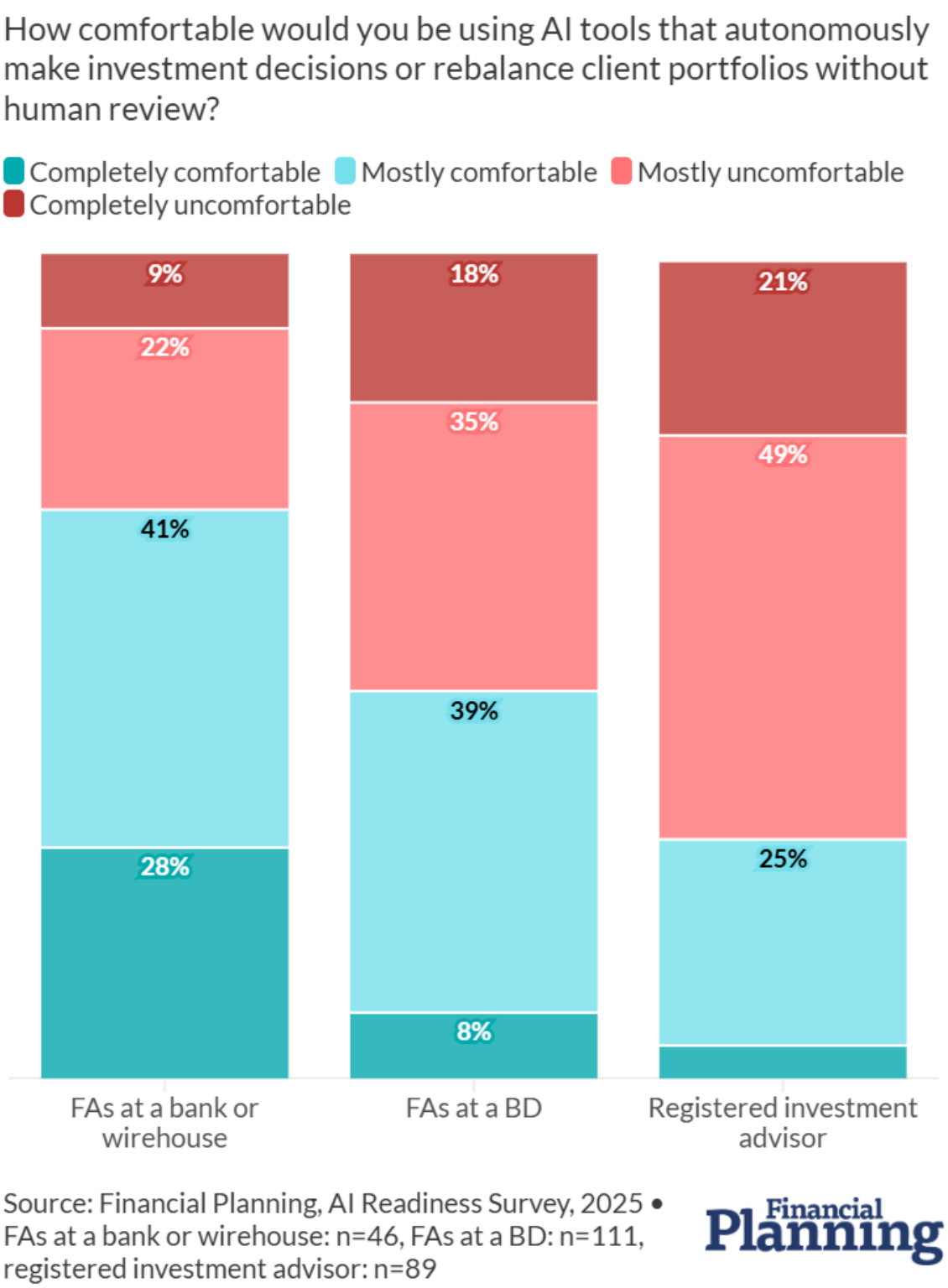
Few advisors see artificial intelligence's involvement with guiding investment decisions as a zero-risk proposition — only 5% said there was no risk at all. Thirty percent said there was a low risk, while nearly two-thirds (65%) said there was either a moderate or significant risk.


How would you rate the level of risk to your organization associated with using AI to help guide investment decisions?
Significant risk
Moderate risk
Low risk
No risk at all
11%
54%
30%
5%
Source: Financial Planning, AI Readiness Survey, 2025 • Total respondents: n=250 financial advisors
Financial Planning

Financial advisors' views on AI vary significantly depending on where they work. Those working at RIAs were the most likely to be troubled by AI tools making investment decisions or rebalancing client portfolios without human review, with 74% reporting they'd be uncomfortable.

In contrast, among financial advisors working at a bank or wirehouse, more than two-thirds (69%) said they were comfortable with the prospect of using such tools.

Financial advisors at broker-dealers were split nearly down the middle: 47% said they were comfortable; 53% were uncomfortable.



This discussion is far from hypothetical. Tools that allow advisors to create more personalized financial plans for their clients already have AI capabilities; examples include solutions like Quinn and Conquest Planning.

These capabilities will significantly reduce the level of advisor effort needed to gather and examine client documents, and to generate the start of a personalized financial plan for clients, said John O'Connell, founder and CEO of wealth management consultancy The Oasis Group.

"My belief is that every advisor should be questioning how they can streamline their financial planning processes using AI," he said.

AI in the back office, the front office or both?

As the survey results suggest, there is a range of opinions in the industry about whether or to what degree advisors should bring AI from the back to the front of the office.

Currently, Kyle Newell, financial planner and owner of Newell Wealth Management in Winter Garden, Florida, said he is more comfortable using AI in back-office tasks including note-taking or marketing research. He has tested using AI for client-facing tasks, such as creating Monte Carlo analysis or analyzing restricted stock unit vesting.

"While I have been happy with the results, I feel the need to double-check the technology and am not comfortable yet actually putting the information in front of clients," he said.

Even though he has been hesitant, Newell said he would use AI in both planning and investment strategies, especially for more straightforward client cases.

"I do think clients would be okay with using AI as long as they are aware of it," he said. "Most clients I work with care more about the results rather than the how."

The technical side of planning and investing can be managed within parameters in the majority of client situations, said Dan Costigan, founder and wealth advisor at Two Palms Financial in San Clemente, California.

"Honestly, I'm excited to see what AI models are built for us, as long as my options don't balloon to Kitces tech-map levels," he said. "At the end of the day, I'm in favor of tech, AI or otherwise, that gives me more time and focus to go deeper on the emotional side of the client experience."

For his clients, Jose Alvarez, founding advisor at Harvest Horizon Wealth Strategies in Amery, Wisconsin, personally designs and manages the portfolio strategies his firm implements, with the help of AI.

"When clients ask how I build them, I tell them that I've trained an AI model to support the process," he said. "The feedback has been positive, and no one has expressed any concern with it."

How AI is changing the value an advisor brings to clients

So, do advisors who use AI tools in client-facing scenarios diminish their own professional value?

Newell doesn't think so.

"In the time I have been using AI, it takes a lot of know-how to ask the right questions of it, create correct prompts and know when it is off base," he said. "In addition, many clients have access to many automated offerings currently, like on Fidelity's 401(k) website, and yet, they still prefer to pay me to verify and assure them on the right things to do."

Similarly, Alvarez said AI strengthens the relationships he's already built.

"It's a tool that enhances how I serve them, not a replacement for the trust and connection that define this work," he said.

The advisors who should feel threatened are those whose businesses are built solely on commission-based investment sales to retail investors, said Alvarez.

"The investment sales model should've died a decade ago," he said. "It's been on life support, and AI will only accelerate its decline, though I don't think it'll disappear entirely just yet."

For RIAs, where the business is built on deeply integrated, relationship-based planning, Alvarez said the threat from AI is far smaller but comes with an opportunity that is much greater.

"Not only will our capacity for service go up, but there will always be people who are willing to pay, and pay a premium, to work with a person, not an AI," he said. "In that sense, I believe the RIA and financial planning space is uniquely positioned to benefit from AI, not be displaced by it."

Experienced professionals are still essential to knit together the various pieces of financial planning, to probe clients' risk tolerance and behavioral biases and to counsel them through the more difficult choices, said John R. Power, a certified financial planner with RIA firm Power Plans in Walpole, Massachusetts.

Keeping it personal and allowing skilled professionals to shine is the key to long-term success, said Power.

"Take care not to use too much client-facing AI to enhance efficiency," he said. "It may begin to look as if planners aren't needed and AI can do the job. Most clients are totally unprepared for such a transition."